

LEE R.C. THERIAULT, CPA
Certified Public Accountant

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2013 ANNUAL ENGAGEMENT LETTER

Date:

Dear

Lee R. Theriault, CPA is pleased to provide you with professional services. This engagement letter serves to confirm our understanding of the terms and objectives of my engagement and the nature and limitation of the services I will provide. In order to better understand each party's obligations, the terms 'we, us, I, my and our' will identify my firm, Lee R. Theriault, CPA. The terms 'you and your' will apply to _____.

SERVICES TO BE PROVIDED

I will prepare your Federal and State income tax returns and related Federal and individual income tax return schedules for tax year 2012 from information you furnish me. I will not audit or otherwise verify the data you submit although I may ask you to clarify some of the information. I may furnish you with tax organizers and questionnaires to help you gather and organize the necessary information for me, in order to keep my fee to a minimum.

Additional information regarding the nature and limitations of specific services to be provided are as follows:

Tax Return Preparation

I will perform any bookkeeping transactions I find necessary for the proper stating of account balances on your tax return(s). If you have provided me with an operable QuickBooks® file, I will provide you with a list of the adjusting entries which you will need to enter into your bookkeeping system to update your records to reflect the transactions which were necessary for preparation of your tax returns. I will not audit, review or compile your financial statements. By signing this letter you are acknowledging that I have not audited, reviewed or compiled your financial statements and that you will not represent to any third party that Lee R. Theriault, CPA did perform any such services. If your business needs a review or compilation, a separate engagement letter will be issued to document the understanding of that engagement.

I will use my judgment to resolve questions in your favor where the tax law is unclear if there is a reasonable justification for doing so. Whenever I am aware that a possibly applicable tax law is unclear or that there are conflicting interpretations of the law by authorities (e.g., tax agencies and courts), I will explain the possible positions that may be taken on your return. I will follow whatever position you request, so long as it is consistent with the codes and regulations and interpretations that have been promulgated. If the IRS should later contest the position taken, there may be an assessment of additional tax plus interest and penalties. I assume no liability for any additional penalties or assessments.

If, during my work, I discover information that affects prior-year tax returns, I will make you aware of the facts. However, I cannot be responsible for identifying all items that may affect prior-year returns. If you become aware of such information during the year, please contact me to discuss the best resolution of the issue. I will be happy to prepare appropriate amended returns as a separate engagement which will be billed separately from the preparation of this year's tax returns.

My work in connection with the preparation of the tax return(s) does not include any procedures designed to discover defalcations or other irregularities, should any exist. The return(s) will be prepared solely from information provided to me without verification by me.

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, I will advise you if I identify such a situation, and I will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures before completing the preparation of the return. If I conclude that I am obligated to disclose a position and you refuse to permit disclosure, I reserve the right to withdraw from the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to prepare your return. In either event, you agree to compensate me for my services to the date of the withdrawal. My engagement with you will terminate upon my withdrawal.

I will, if possible, e-file your returns upon receipt of a signed form 8879. It is possible your e-filing may be rejected, in which case I will prepare the returns for paper filing. There may be an additional charge for re-compiling the returns for paper filing.

The IRS permits you to authorize me to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell me otherwise, I will check that box authorizing the IRS to discuss your return with me.

My policy is to put all tax advice in writing. You understand that you will not rely upon any unwritten advice because it may be tentative, incomplete, or not fully reviewed.

CLIENT RESPONSIBILITIES

It is your responsibility to maintain, in your records, the documentation necessary to support the data used in preparing your tax return(s), including but not limited to the auto, travel, entertainment, and related expenses and the required documents to support all charitable contributions. If you have any questions as to the type of records required, please ask me for advice in that regard. You also have final responsibility for the tax return and, therefore, the appropriate officials should review each return carefully before an authorized officer signs and mails them to the tax authorities. I am not responsible for the disallowance of doubtful deductions or inadequately supported documentation, nor for resulting taxes, penalties and interest.

I may provide you with a *Business Tax Organizer* or other documents requesting specific information. Completing those forms and providing the requested information will assist me in making sure you are well served for a reasonable fee. You represent that the information you are supplying to me is truthful, accurate and complete to the best of your knowledge and that you have disclosed to me all relevant facts affecting the return(s). I will not verify the information you give me; however, I may ask for additional clarification of some information.

You will contact me immediately if you discover additional information that will lead to a change in your return(s), or if you receive any letters from the IRS, state or local taxing authorities.

During the course of our engagement, I will request information and explanations from management regarding the company's operations, future plans, specific transactions, and accounting systems and procedures. The procedures I will perform in my engagement and the conclusions I reach as a basis for tax return preparation will be heavily influenced by the written and oral representations that I receive from management. Accordingly, false representations could cause me to expend unnecessary efforts or could cause a material error or a fraud to go undetected by my procedures. In view of the foregoing, you agree that I shall not be responsible for any misstatements in the company's tax return(s) that I may fail to detect as a result of false or misleading representations that are made to me by management.

I am responsible for preparing only the returns listed above. If there are additional returns you wish me to prepare, such as sales tax, property tax, inheritance, gift or estate tax, other income tax returns for other entities, or other states' or cities tax returns please inform me. My fee does not include responding to inquiries or examination by taxing authorities. However, I am available to represent you and my fees for such services are at my standard rates and would be covered under a separate engagement letter.

RECORD RETENTION

My records retention policy requires me to return all original client-prepared documents to you at the completion of the engagement. Your company records are the primary records for your operations and comprise the backup and support for your financial reports and tax returns. My records and files are my property and are not a substitute for your own records. In accordance with my firm's current document retention policy I will retain my work papers for your engagement for *seven (7) years*. The balance of my engagement file is my property, and I will provide copies of such documents at my discretion and if compensated for any time and costs associated with the effort. If you should need replacements, I will provide additional copies at my standard copying fees. After seven years, I will destroy my work papers and files. Physical deterioration or catastrophic events may result in my firm's records being unavailable before the expiration of the above retention period.

FACSIMILE TRANSMISSION AND ELECTRONIC MAIL

In the interest of facilitating my services to your company, I may communicate by facsimile transmission or send electronic mail over the internet. Such communication may include information that is confidential to your company. My firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While I use my best efforts to keep such communications secure in accordance with my obligations under applicable laws and professional standards, you recognize and accept that I have no control over the unauthorized interception of these communications once they have been sent and consent to my use of these electronic devices during this engagement.

YOUR PRIVACY

In accordance with federal law, in no case will I disclose your tax return information to any location outside the United States, to another tax return preparer outside of my firm for purposes of a second opinion, or to any other third party (except as specified below) for any other purpose without first receiving your written consent. Additionally, all information you provide me in connection with this engagement will be maintained by me on a strictly confidential basis according to my firm's *Privacy Policy*.

TAX EXAMINATIONS

You understand that taxing authorities may examine the return(s) and that penalties may be imposed on returns that are late, underpaid or incorrect. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. As such, you should know that IRS audit procedures will almost always include questions on bartering transactions and on deductions that require strict documentation such as **ALL charitable contributions**, shareholder loans, travel and entertainment expenses and expenses for business usage of autos, computers, and cell phones. In preparing your returns I rely on your representations that I have been informed of all bartering transactions and that you understand and have complied with the documentation requirements for your expenses and deductions. I am not responsible for disallowed deductions, or the inclusion of additional unreported income or any resulting taxes, penalties or interest. If you have questions about these issues, please contact me.

Any proposed adjustments by the examining agent are subject to certain rights of appeal. My standard tax preparation fee does not include responding to inquiries or examination by taxing authorities. However, I will be available, upon request, to represent you. **You**

understand that you will be charged an additional fee if I am asked to assist or represent you in a tax examination OR INQUIRY.

You understand that, in the event of a preparer error, you are responsible for additional tax that may be due, but my responsibility is to pay for any penalty that the IRS, state or local taxing authorities may assess.

COMPENSATION

My fees are not contingent on the results of my services. Rather, my fees will be billed based upon the standard hourly rates of the staff assigned to your return. The fees will take into consideration the experience and expertise of the persons performing the work, plus out-of-pocket expenses. Invoices will be submitted for the services completed during that period.

PAYMENT TERMS

I will send you a monthly billing invoice for the professional fees and expenses incurred on this engagement. Payment is due upon receipt unless otherwise specified.

In the event that payment is not received when due, you will be assessed interest charges of 1½% per month on the unpaid balance. I reserve the right to suspend or terminate my work due to non-payment. In accordance with my firm policies, work may be suspended if your account becomes ninety (90) days or more overdue and will not be resumed until your account is paid in full. The suspension or termination of my work may cause you to fail to meet deadlines imposed by creditors, governments or other third-parties or may result in other adverse consequences and is a proper consequence of nonpayment of my statements. In the event that my work is suspended or terminated as a result of non-payment, you agree that I will not be responsible for your failure to meet government and other filing deadlines, or for penalties or interest that may be assessed against you resulting from your failure to meet said deadlines. Additionally if I elect to terminate my services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed the services contemplated in this engagement. You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket expenditures through the date of termination. In the event that any collection action is required to collect unpaid balances due me, you agree to reimburse me for my costs of collection, including attorney fees and court costs.

ENGAGEMENT TERM

This agreement shall be in effect for services provided in the 2012 calendar year in preparation of the tax returns for the year ended and in all interim tax matters pertaining to the year ending 2013. However, either party may terminate the agreement at any time by giving the other party thirty (30) days notice in writing.

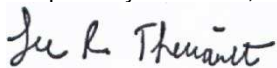
I have the right to withdraw from this engagement, in my discretion, if you don't provide me with any information I request in a timely manner, refuse to cooperate with my reasonable request, or misrepresent any facts. My withdrawal will release me from any obligation to complete your return(s) and will constitute completion of my engagement. You agree to compensate me for me time and out-of-pocket expenses through the date of my withdrawal.

CONFIRMATION OF AGREEMENT

This engagement letter is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

*If the foregoing is in accordance with your understanding, **please sign and date this letter and the attached Checklist of Services in the spaces provided.** Return all pages to me in the enclosed envelope.* I appreciate the opportunity to be of service to you. I shall be pleased to discuss this engagement letter with you at any time. It is my policy to initiate services after I receive the executed engagement letter.

Respectfully submitted,



Lee R. Theriault, CPA

Client Acceptance:

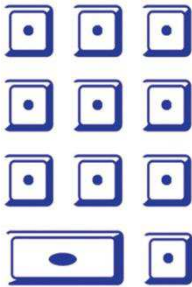
The terms described in this document are acceptable to me and are hereby agreed to as indicated by my signature below:

Taxpayer Name (Printed)

Taxpayer Signature

Date

PLEASE SIGN AND RETURN ALL PAGES. THANK YOU!



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CONSENT FOR USE OF TAX RETURN INFORMATION

Regarding: **2013 Form 1040**

Federal law requires this consent form be provided to you. Unless authorized by law, [Lee Theriault, CPA](#) cannot use, without your consent, your tax return information for purposes other than the preparation and filing of your tax return.

You are not required to complete this form. If we obtain your signature on this form by conditioning my services on your consent, your consent will not be valid. Your consent is valid for the amount of time that you specify. If you do not specify the duration of your consent, your consent will be valid for one year.

In efforts to fully serve my clients, from time to time, I provide them helpful information such as firm newsletters, surveys, published articles, press releases, information concerning firm seminars and nontax-related services, and announcements pertaining to firm personnel. To determine what items may be of interest to you, I will need to use your tax return information, such as your e-mail address. If you would like me to use your tax return information for this purpose, please check the following box and sign and date this consent form.

- ☐ I/(We), _____ authorize Lee Theriault, CPA to use the information I provide to [Lee Theriault CPA](#) during the preparation of my tax return for **2012**, including my entire return, for purposes of mailing to me: firm newsletters, surveys, published articles, press releases, information concerning firm seminars and nontax-related services, and announcements related to firm personnel. I understand I have the right to limit the consent to specific information, not just authorize use of the entire return. Recognizing that right, I consent to the use of my entire tax return.

Signature: _____ Date: _____
[Taxpayer Name](#)

Signature: _____ Date: _____
[Spouse Name](#)

If you believe your tax return information has been disclosed or used improperly in a manner unauthorized by law or without your permission, you may contact the Treasury Inspector General for Tax Administration (TIGTA) by telephone at 1-800-366-4484, or by email at complaints@tigta.treas.gov.